

6 February 1962

TO: Director of Logistics

FROM: Chief, Procurement Division/OL

SUBJECT: Congressional Limitation on Prices for  
Passenger-carrying Vehicles

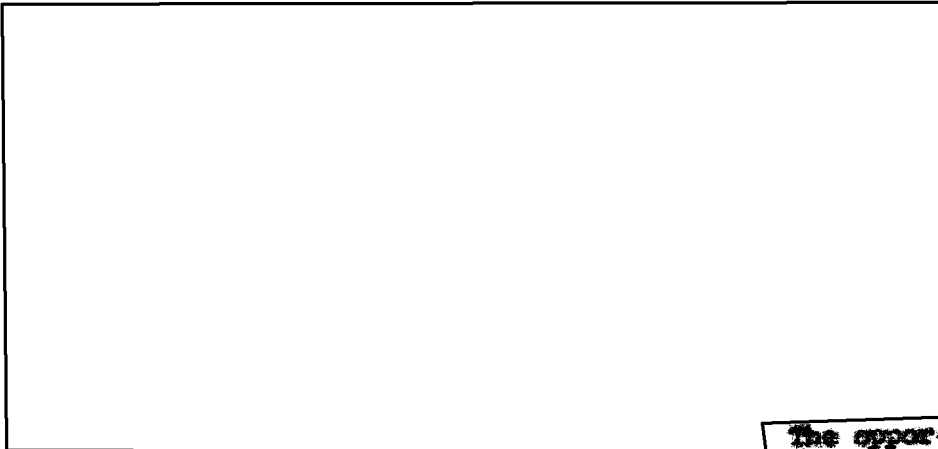
1. The existing Congressional limitation on the maximum price which can be paid for passenger-carrying vehicles (other than Station Wagons) is \$1500.00, and an additional limitation of \$1950.00 for Station Wagons.

2. Previous information from GSA had indicated that they had expected to be able to purchase the in-between size "Chevy Two" within the \$1500.00 limitation. However, recent Bid indicated prices of \$1616.48, \$1617.48, and \$1654.21, which include transportation. When transportation is deducted, since this is not chargeable to the Congressional limitation, the cost is still between the \$1550.00 and \$1600.00 net at the factory.

3. Information received from GSA is that Nash Ramblers, Ford Falcons, and Studebaker Larks can still be purchased for less than \$1500.00.

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The opportunity to express a preference in the low price field is no longer practicable because Ford and Chevrolet are bidding in excess of the \$1500.00 limitation. Most of the stations that I have visited overseas do have a variety of makes of cars, between Ford, Chevrolet, Plymouth, Jeep and numerous others and, in addition, foreign made cars, usually Japanese, German, French or Italian manufacture. The primary factor here is availability of services and standard parts for the vehicles to be purchased.

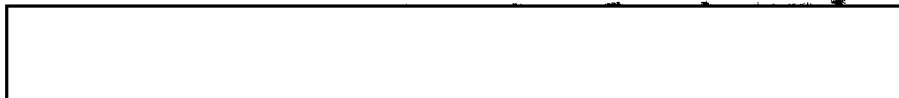
7. It occurs to the undersigned that every effort should be made by the Agency to stay within the \$1500.00 passenger-carrying limitation until this has been increased by Congress because to do otherwise would invite criticism and the possible chance of some publicity in later Congressional hearings on this subject. Certainly the Ford Falcons and the Nash Runners are considered reliable vehicles and we may have to purchase \$100.00 worth of spare parts to accompany each vehicle to its overseas destination.



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9. It is recommended that the Director of Logistics approve the policy as stated in paragraph 8 above.

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/signed/

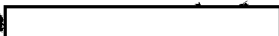


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